

TO: Board Members

THROUGH: Jeff Walker, Executive Administrator
Rebecca Trevino, Chief Financial Officer

FROM: Georgia Sanchez, Debt Portfolio Manager and Development Fund Manager

DATE: July 6, 2017

SUBJECT: Co-Manager Selection for State Water Implementation Revenue Fund for Texas Revenue Bonds, Series 2017A; Taxable Series 2017B

ACTION REQUESTED

Consider approving the selection of co-managing underwriters for negotiation of Texas Water Development Board State Water Implementation Revenue Fund for Texas Revenue Bonds, Series 2017A; and Taxable Series 2017B.

BACKGROUND

On March 9, 2017, the Board initiated the process for the issuance of revenue bonds to provide funding for projects in the State Water Implementation Fund for Texas program. FirstSouthwest, a Division of Hilltop Securities Inc. was selected to serve as financial advisor for this transaction, McCall, Parkhurst & Horton L.L.P. was selected to serve as bond counsel, and Morgan Stanley was selected as the senior managing underwriter. Bracewell LLP will serve as disclosure counsel.

SELECTION OF CO-MANAGING UNDERWRITERS

BOK Financial Securities, Inc.; Bank of America Merrill Lynch, Citigroup Global Markets, Inc.; FTN Financial Capital Markets, JPMorgan Securities, Jefferies, Piper Jaffray, Ramirez & Co., Inc.; Raymond James and Associates, Inc.; and Siebert Cisneros Shank & Co., are recommended to be added to the transaction team as co-managing underwriters for the bond sale. The recommended co-managers are current members of the Texas Water Development Board's underwriting pool, which was selected pursuant to a Request for Proposal process earlier this year.

RECOMMENDATION

In order to accomplish a successful pricing, the Executive Administrator recommends approving the selection of co-managing underwriters for negotiation of Texas Water Development Board State Water Implementation Revenue Fund for Texas Revenue Bonds, Series 2017A; and Taxable Series 2017B.

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To provide leadership, information, education, and support for planning, financial assistance, and outreach for the conservation and responsible development of water for Texas

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Jeff Walker, Executive Administrator